## DOCKET FILE COPY ORIGINAL

01-276

**Subject:** MM Docket No. 01-276 --- WQED application to commercialize and sell the WQEX educational license

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Magalie Roman Salas Office of the Secretary, Federal Communications Commission 445 12th Street, SW Washington, DC 20554 RECEIVED

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PEDERAL COMMUNICATIONS COMMUNICATION OFFICE OF THE SECRETARY

re: MM Docket No. 01-276

Dear Chairman Powell and Commissioners Abernathy, Copps, and Martin:

Please do not approve the commercialization and sale of WQEX's designated noncommercial educational license. I support keeping Channel 16 a public broadcasting station, and -- regardless of its classification -- the reissuance or reassignment of WQEX's license should be open to competing applications in order to insure that the citizens of southwestern Pennsylvania receive the best possible broadcasting.

Each of you have expressed your support for noncommercial broadcasting in the past. Chairman Powell recently stated that noncommercial licensees "serve the public interest by producing superb noncommercial educational broadcasting." Commissioners Abernathy and Martin have expressed similar sentiments. Commissioner Copps recently argued that:

Commercial television is about appealing to and entertaining the broadest possible market. Public television is about serving the better angels of our nature. It is about sustaining the virtues of education, civic involvement and American democracy. It in no way denigrates commercial television to say that public television is supposed to be, and is, different. When it begins to lose this different identity, it begins to lose its soul.

Clearly the four of you constitute a Federal Communication Commission that supports and values the contribution of commercial alternatives on the public's spectrum.

I ask you then to reject WQED's petition for declassification of the noncommercial status of Channel 16 in order to then sell the license to a commercial broadcaster. There is simply no need to allow these actions for the following reasons:

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- 1. WQED is in no danger of economic failure. The previous testimony to the Commission in this matter has indicated this is the case. In addition, the Director of the WQED-Pittsburgh Board of Directors stated in the December 9, 2001 *Pittsburgh Post-Gazette*, "Membership support hit an all time high in 2001. Financial statements have been sporting slight excesses of revenues over expenses" (sec. B, p. 1). And, as has been well-documented in this Docket, any financial problems of WQED are solely the result of its mismanagement and waste of public and private donations through high executive salaries and poor programming/production investments.
- 2. WQED's arguments that Pittsburgh does not deserve and can not support a second noncommercial television station are self-serving at best. The former WQEX-TV was more than self-supporting financially, served a diverse audience that WQED does not, and was converted to a full-time simulcast of the WQED signal only as part of a campaign to take from the citizens of this region an asset they owned, used, and valued. Under no circumstances should WQED be rewarded and allowed to profit from making a calculated decision not to operate one of its two reserved noncommercial licenses in the public interest.

Please do not be swayed by the "gloom and doom" scenario that WQED's proponents attempt to place on the Pittsburgh market. Pittsburgh is a large and active city. We support three professional sports teams, a world class symphony, an opera company, a ballet company, numerous outstanding art museums, world class natural history and science museums, and myriad other theatrical and cultural organizations. A number of our many universities, colleges, technical, art, culinary, and film schools are world class. We readily support three public radio stations. We can easily support two public TV stations -- other smaller cities presently do. The formation of Pittsburgh Educational Television (PET) demonstrates that there is not only the interest, but a viable plan to keep Channel 16 as it was meant to be --- noncommercial, independent, alternative.

Perhaps you join me in finding curious that WQED argues that Pittsburgh can not support a second noncommercial station, but somehow generates enough advertising revenue to support another commercial station (with vastly higher operating costs). The fact is that Pittsburgh has a full complement of commercial stations and that some of them (including LPTV licensees) are struggling to survive. Would another marginal UHF independent (or niche network-affiliated) commercial station truly add to the diversity of broadcasting in Pittsburgh. This is also one of the more heavily cable and satellite urban areas in the nation. Over 80% of residents pay for television and get dozens if not hundreds of commercial choices. What the residents, whether with 100 or more cable channels or the 10 over the air channels, lack is an alternative to commercial broadcasting. Perhaps WQED is not willing to compete with another noncommercial educational provider, especially one committed to local expression as its contribution to the marketplace of ideas and the public interest.

3) Neither the Commission nor the Congress has changed the definition of a broadcast license holder from "trustee" to "owner." This trustee/owner distinction seems to be even more important for noncommercial educational broadcasters, as in the Commission's

recent decision to limit the commercialization of the digital frequency they have been granted. Yet, WQED takes the position that it should be able to sell what it does not own. Frankly, Commissioners, this is just wrong. What makes it worse is there are alternatives available that WQED refuses to consider because it is so convinced it can persuade you to reward its demonstrably poor record of spectrum stewardship. WQED made no attempt to keep operating Ch. 16 despite the station's positive contribution to its financial position. WQED made no attempt to partner with one of the many Universities/Colleges/Schools or Cultural/Arts Institutions or Citizens Groups in the Pittsburgh area in an attempt to maintain the station. Finally, even if such attempts had not been fruitful, WQED did not have the simple integrity to turn the Channel 16 spectrum space back to the government for reallocation . Please give P.E.T. and other people the opportunity to apply for and maintain Channel 16.

For the third time, WQED has come to the FCC "hat in hand" trying to get a handout (windfall) without justification and without attempts to seek out alternatives. For the third time, please do not reward them. The people of Pittsburgh deserve better.

Sincerely,

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WQEX, Channel 16, is a public trust that was awarded to the people of Pittsburgh for educational broadcasting. It is not the private property of WQED Pittsburgh's board of directors and they should not be allowed to sell it for a profit. Pittsburgh does not need another commercial TV channel -- it already has more than enough! Since WQED shut down WQEX's programming and began simulcasting, it has failed to meet the educational and community needs of this region. We need an alternative educational channel which can serve the people of the entire community -- as well as, or better than, WQEX once did. WQED programs consist largely of children's shows and the national feed with some cooking and period music shows mixed in. Its present programming schedule primarily targets an affluent audience and misses a large segment of the regional population. Channel \*16 (WOEX), with its broader emphasis on community oriented programming and alternative points of view, filled that void and was once the third most watched "second station" in the country. We need it now more than ever. Pittsburgh is a large and active city. We support three professional sports teams, a world class symphony, an opera company, a ballet company, numerous outstanding art museums, world class natural history and science museums, and myriad other theatrical and cultural organizations. A number of our many universities, colleges, technical, art, culinary, and film schools are world class. We readily support three public radio stations. We can easily support two public TV stations -- other smaller cities presently do! When WQEX was broadcasting its own programming, it cost only \$1 million a year to operate. This was a fraction of WQED's budget, and the designated donations received for WQEX were more than its operating costs, representing a net revenue gain. A similar revenue surplus could easily fund any capital expenditures needed to put Channel 16 back on the air, whether through WQED or a new, independent organization. WQED's debts are the result of wasteful mismanagement. A WQED investigation into alleged embezzlement was kept secret even from its own board of directors. The people of the region should not suffer from the misdeeds of a few by losing an essential community asset.. WQED has admitted to the FCC that it is not in danger of going dark. It claims a \$9 million debt, half of which it owes to its own capital fund. It also has other assets, like Pittsburgh Magazine, worth millions more. If WQED is allowed to get away with selling the Channel 16 educational license for commercial use, it will set terrible precedent. How many other public stations across the country will be put on the block to solve budget issues that lay elsewhere? WQED's management has a long history of detachment from citizen input and its selfselected advisory board does not constitute community oversight. If that management

should receive an undeserved windfall by selling our public asset, it would not and could not be held accountable to the public. WQED continues to spend freely even while it pleads poverty. In recent years, CFOs Mel Ming and Neil Mahrer have enjoyed compensation packages of close to a quarter million dollars a year each. Ten WQED executives receive compensation packages up to \$160,000 per year. This is far in excess of counterpart stations in Philadelphia and St. Louis, and, given that WQED has nonetheless been paying down its debt, it represents that WQED has no dire financial need to cash in on the Channel 16 license. WQED has rejected bids from non-profit institutions in the community to operate WQEX as a public station. Instead, WQED CEO George Miles has demanded a huge windfall that is far in excess of the real market value of a noncommercial, public broadcasting license. As an alternative, a community initiative, Pittsburgh Educational Television (PET), has developed a business plan to restore public broadcasting on Channel \*16 and serve the community which

copps:

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